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FISCAL IMPACT STATEMENT

LS 7095

BILL NUMBER: SB 533

NOTE PREPARED: Jan 23, 2013

BILL AMENDED:

SUBJECT: Ineligibility for TANF Assistance for Truancy.

FIRST AUTHOR: Sen. Leising

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

- (1) Provides that a recipient of Temporary Assistance for Needy Families (TANF) assistance or a dependent child who receives TANF assistance who has more than 10 unexcused absences during a school year is ineligible for TANF assistance until the recipient or child completes a semester of school in which the recipient or child does not have more than 10 unexcused absences.
- (2) Requires a recipient or a parent or essential person who receives TANF on behalf of a dependent child to provide the name of the school that the recipient or dependent child attends and consent to the release of school attendance records.
- (3) Requires: (a) the Division of Family Resources (DFR) to provide each public school and accredited nonpublic school in which a recipient or dependent child is enrolled with certain information; and (b) a school to notify the DFR upon the occurrence of certain events regarding the recipient or dependent child.
- (4) Requires a parent or essential person of a dependent child to attend a teacher conference concerning the child annually.
- (5) Provides that a dependent child is ineligible for TANF assistance until the beginning of the next school year if the parent or essential person fails to attend the teacher conference.
- (6) Removes and relocates provisions that: (a) require recipients of TANF assistance and dependent children who receive TANF assistance to attend school if they are subject to the compulsory education law; and (b) require the director of the DFR, in consultation with the Department of Education (DOE), to adopt rules to establish a definition for the term "unexcused absence".
- (7) Repeals provisions that: (a) provide that the TANF assistance of a recipient or dependent child is subject to revocation or suspension if the recipient or child has more than three unexcused absences from school; and

(b) allow the DFR to decide whether to require consent to the release of school attendance records as a condition of eligibility to receive TANF assistance.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Summary:* The provisions of this bill could increase the number of children who have their TANF benefits disqualified because of unexcused absences by 2,582 children per year. As a result, this bill could decrease state TANF expenditures between a maximum of \$598,000 and \$920,000 annually.

The total number of children who would be disqualified for TANF benefits because of a parent's failure to attend required meetings specified in the bill is indeterminable. To the extent children are disqualified from TANF benefits due to a parent's failure to attend required meetings, the state could experience additional TANF cost savings.

Additional Information:

Under the bill, school-age children who receive TANF benefits and have 10 or more unexcused absences from school during a school year would be ineligible for benefits. Under current law, a school-age child is only required to have 3 unexcused absences in order to be subject to suspension or revocation of TANF benefits. Additionally, under the bill if the parent(s) of a school-age child who is receiving TANF benefits fails to annually attend a parent-teacher conference, the child would also be ineligible for TANF benefits.

The FSSA reports there are privacy issues concerning providing schools with the names of students who are TANF recipients and asking the schools to report any unexcused absences for these children. As a result, it was reported there are currently no cases where a child has had their TANF benefits suspended as a result of unexcused absences under the current statute.

This bill could increase the number of school-age children who are determined ineligible for TANF benefits. As a result, state expenditures for TANF benefits could decrease.

The Department of Education reports for the 2011 school year, there were 57,367 children with 10 or more unexcused absences. Using data obtained from the Kids Count Data Center, there was a monthly average of 33,746 families receiving TANF benefits during FY 2011. According to Census data, in Indiana there are a total of 749,063 families in the state (married with children and single-parent households).

Using the percent of TANF-recipient families compared to total families in the state (4.5%), it is estimated this bill could result in 2,582 children being determined ineligible for TANF benefits due to their unexcused absences. As a result, state expenditures could decrease to provide TANF benefits to these children.

The amount of cash assistance associated with one member of the TANF assistance unit can be \$58.50 or \$90 monthly, depending on family size. Because only a child with the requisite number of unexcused absences can have their benefits disqualified, the decrease in TANF benefits per child per month is expected to be between \$58.50 and \$90. The maximum decrease in total TANF expenditures is expected to be between \$1.8 M and \$2.8 M per year (of which the state will provide between \$598,000 and \$920,000 under the TANF maintenance-of-effort requirement).

The number of children who would be deemed ineligible for TANF benefits because their parent(s) fail to attend required meetings specified in the bill is indeterminable. To the extent this requirement further increases the number of children who are deemed ineligible for TANF benefits, the state could experience additional savings on TANF expenditures.

Background Information on TANF Program: TANF assistance is shared between state and federal governments. However, the federal share is provided through a capped block grant allocation with a state maintenance-of-effort (MOE) requirement. TANF block grant allocations are determined on a formula basis with increased flexibility for their use by the states over what was permitted under the prior Aid to Families with Dependent Children (AFDC) Program. The state contributes roughly 1/3 of the benefits in the TANF program.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill could increase cost for local schools. Schools would be required to track the unexcused absences of TANF students and report to DFR if the student has more than 10 unexcused absences. School could probably make the modifications to their student tracking and reporting systems with their current resources. The largest expense would be the initial setting up of the system.

Explanation of Local Revenues:

State Agencies Affected: DFR; DOE.

Local Agencies Affected: School corporations.

Information Sources: Christina Hage, FSSA; Kids Count Data Center; Census Data; Brandon Dickinson, DOE.

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